

1. Requested Motion:

Meeting Date: June 3, 2013

Authorize staff to move forward with the public notification associated with the proposed potable water rate increase and set September 3, 2013 at 9:00 AM for a public hearing.

Why the action is necessary:

It is necessary for Town Council to provide proper notice to utility customers and hold a public hearing prior to implementing a rate increase.

What the action accomplishes:

Moves forward the request for a rate adjustment and sets a date for a Public Hearing.

2. Agenda:

☐ Consent
☒ Administrative

3. Requirement/Purpose:

☐ Resolution
☐ Ordinance
☒ Other:

4. Submitter of Information:

☐ Council
☒ Town Staff – Public Works
☐ Town Attorney

5. Background:

In accordance with the provisions of Addendum #1 of the Wholesale Water Inter-Local Agreement, Lee County BOCC shall provide to the Town a 90 day notice of the intent to modify the wholesale water rates and implementation of the same. Pursuant to this provision, confirmation was received from LCU on April 3, 2013 that the wholesale water rate adjustment will be implemented effective October 1, 2013. This increase represents the next incremental increase which will continue annually through Fiscal Year 2014. The wholesale water rate is proposed to increase effective October 1, 2013 from \$3.67 to \$3.75 per thousand gallons and October 1, 2014 to \$3.84. This will represent a 2.18% increase to the Town's retail rate; and implemented across each consumption block rate.

It is required that public notice be provided at least thirty (30) days prior to a public hearing. In addition to a public advertisement, the notice will be sent to the customer base with the monthly billing scheduled to be mailed on or before July 31, 2013. No other changes to the rates and charges for the water utility are included with this request.

Attached for reference is the, LCU notice of rate increase, public notification and projected timeline with rate adjustment tabulation.



6. Alternative Action:

Do not pass the wholesale water rate increase to customer base.

7. Management Recommendations:

Staff recommends the approval to move this forward.

8. Recommended Approval:

Town Manager	Town Attorney	Finance Director	Public Works Director	Community Development Director	Parks & Recreation Director	Town Clerk
						

9. Council Action:

☐ Approved ☐ Denied ☐ Deferred ☐ Other

Cathie Lewis

From: Jobes, Amanda [AJobes@leegov.com]
Sent: Wednesday, April 03, 2013 4:16 PM
To: Cathie Lewis
Cc: Christy Cory; Andrews, Carolyn; Keyes, Pamela
Subject: LCU Bulk Water Rate Increases
Attachments: Wholesale Customer Notification.pdf; LCU Rates Lee County Resolution No 11-08-26.pdf

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Good Afternoon Cathie –

I want to touch base with you in regards to the 3rd incremental rate increase that will become effective on 10/01/2013.

Per the attached BoCC approved rate resolution, on 10/1/2013 the bulk water rate will change from \$3.67 to \$3.75 per 1,000 gallons. (See page 14)

Last year we ran into some obstacles implementing the 2nd incremental rate increase by the effective date. I want to ensure that this doesn't happen again.

Attached you will find the original notification that was sent to our Bulk Water Customers.

Is there anything else you need from us to present the 3rd incremental rate increase to your Board?

Sincerely,

Amanda Jobes, Customer Service Manager



Phone: 239/533-8845 Ext 35641
Fax: 239/485-8846
E-mail: ajobes@leegov.com
Website: <http://www.leegov.com/utilities/>

Please note: Florida has a very broad public records law. Most written communications to or from County Employees and officials regarding County business are public records available to the public and media upon request. Your email communication may be subject to public disclosure.

Under Florida law, email addresses are public records. If you do not want your email address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

Excerpt From

LEE COUNTY RESOLUTION NO. 11-08-26

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA, REPEALING LEE COUNTY RESOLUTION NO. 07-08-70 RELATING TO THE LEE COUNTY WATER AND WASTEWATER SYSTEM, PURSUANT TO THE PROVISIONS OF LEE COUNTY ORDINANCE NO. 02-32, PROVIDING FOR ADJUSTED RATES AND CHARGES, AND FOR EFFECT ON ALL PRIOR RATE SCHEDULES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners, as the governing body in and for Lee County has previously adopted Lee County Ordinance No. 02-32, establishing procedures for adopting rates, charges, and fees adjustments for the Lee County Water and Wastewater System; and,

WHEREAS, the Board of County Commissioners has previously adopted Lee County Resolution No. 07-08-70, setting and structuring the rates, charges and connection fees for the Lee County Water and Wastewater System; and,

WHEREAS, the County is now desirous of further adjusting the rates and charges for the Lee County Water and Wastewater System so as to adequately provide sufficient revenues to cover operating expenses, required debt service and other financial obligations necessitated by bond covenants; and,

WHEREAS, the County is desirous of further adjusting Water and Wastewater System rates, charges and connection fees in order to insure a sound operational and financial basis while fairly distributing the costs of the rates and charges to the various user classifications; and,

5:00 PH1
8-9-11

Excerpt From

J. WHOLESALE WATER AND WASTEWATER RATES

Customers receiving wholesale water and/or wastewater services will be billed monthly in accordance with the following schedule:

Wholesale Water and Wastewater Service Charges				
	Effective Date			
	10/1/2011	10/1/2012	10/1/2013	10/1/2014
Wholesale Water Service:				
Metered User Charge (Per 1,000 Gals)	\$3.46	\$3.67	\$3.75	\$3.84
Wholesale Wastewater Service:				
Metered User Charge (Per 1,000 Gals)	\$4.33	\$4.68	\$4.89	\$5.12

The rates established in this subsection are applicable to each County wholesale customer that: i) resells such services to its customers in accordance with Florida law and County ordinances; and ii) maintains all distribution/collection systems, valves, hydrants, service connections, manholes and meters in the public rights-of-way or valid easements within its recognized service area. The terms for providing either wholesale water or wholesale wastewater service, or both, to a qualifying applicant will be established by an agreement between the applicant and the County.

K. TEMPORARY HYDRANT METER/BACKFLOW DEPOSIT

<u>Meter Size</u>	<u>Deposit Amount</u>
5/8" x 3/4"	\$280.00
1"	370.00
1-1/2"	730.00
2"	840.00

Applicant shall pay the deposit for utilization of the temporary hydrant meter with accompanying backflow preventive device prior to service being initiated. Deposit will be

PUBLIC WORKS SERVICES

CRITICAL PATH AND RATE ADJUSTMENT TABULATION FOR RATE ADJUSTMENT PROPOSAL

April 20, 2013

April 3, 2013	Notification from LCU that rate increase is implemented 10/1/13
June 3, 2013	Town Council Meeting - Introduce information to Town Council
July 31, 2013	Mail Public Notice of Hearing
August 31, 2013 Or Before	Publish Public Notice of Hearing
September 3, 2013	Town Council Meeting - Public Hearing for Rate Adjustment
October 1, 2013	Implement rate adjustment (if applicable) First month will be prorated from October 15 and will be reflected on the bill received in November

RETAIL CONSUMPTION BLOCK RATES	CURRENT COST PER 1,000 GALLONS	PROPOSED COST PER 1,000 GALLONS
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Block 1	\$5.27	\$5.38
Block 2	\$6.27	\$6.41
Block 3	\$7.27	\$7.43
Block 4	\$8.27	\$8.45

Notation:

Wholesale increase -

From	\$3.67
To	\$3.75
Increase	0.08
% Increase	2.18%

2.18% applied to each retail rate block